

Centennial would report annually to the Commission the number of requests for service that go unfulfilled as described by the Commission in the *Nextel Order*.

Mr. Shively also described the amount of revenue that Centennial anticipates receiving from the USF fund, how Centennial intends to use such funds, and what, if any, impact its receipt of funds is anticipated to have on the federal USF. Mr. Shively estimated that Centennial will receive approximately \$1.2 million annually in connection with its designation as an ETC in Indiana. He explained that under the FCC rules, the amount of high-cost universal service support available to a competitive ETC is calculated by USAC. USAC multiplies the number of eligible lines a competitive ETC has in the high cost area by the amount of the RLEC per-line high cost universal support amount, which is determined based upon the RLEC's embedded costs, as calculated by USAC using investment and cost data that incumbent carriers submit to the National Exchange Carriers Association ("NECA"). Under the FCC rules, competitive ETCs receive the same per-line support as the incumbent carrier receives for the same area. Based upon the number of eligible lines Centennial anticipates in Indiana, USAC estimates that that Centennial will receive \$1.2 million annually from the federal USF fund.

Mr. Shively next described how Centennial intends to use the anticipated USF funds in Indiana. He testified that Centennial intends to construct at least four new cell tower sites and collocate its facilities and equipment on three existing cell tower sites with the funds it anticipates receiving from the USF. (TR. 35-37; 51-53.) Mr. Shively further testified that Centennial's annual investment in Indiana will exceed the amount of federal USF funds it anticipates receiving annually as a result of its designation as an ETC in Indiana. As Mr. Shively testified, "for every dollar of USF money to be received by Centennial, Centennial will more than match those dollars with its own financial investment in Indiana's telecommunications infrastructure." (Shively Testimony, p. 23.) Mr. Shively further committed in his testimony to using all funds received from federal USF for the limited purposes permitted for such funds, including the "provision, maintenance, and upgrading of facilities and services for which support is intended." (Shively Testimony, p. 23.)

Mr. Shively also committed in his testimony that Centennial would implement and maintain appropriate accounting protocols to track and account for its use of federal USF funds, provide reports to the Commission detailing its progress in the development and expansion of its network (all as described in the Commission's *Nextel Order*), and file and maintain a Lifeline/Link Up tariff with the Commission to ensure that Centennial is using USF funds in a manner consistent with the statutory mandate. He explained that Centennial has established protocols within its finance department to separately track the receipt and use of USF funds from USAC with respect to other states where Centennial has received ETC designation. Mr. Shively stated that Centennial will track USF expenditures separately from its non-USF funding expenditures to ensure that the funds received from USAC are only spent on relevant projects in Indiana. Separate and in addition to the Commission's annual high-costs certification filing under Cause Nos. 40785 and 42067, Mr. Shively committed that Centennial would submit records and documentation detailing its progress towards meeting its build-out plans and upgrading of service in the service areas it is designated as an ETC, all as previously specified by this Commission in the *Nextel Order*.

Mr. Shively further testified that Centennial will be able to serve the areas for which ETC status is sought within a reasonable time period. Mr. Shively testified that Centennial's system already provides service within most of the areas for which it seeks ETC designation, thus for those areas it will be able to offer the supported services immediately. For the areas where Centennial needs to expand its facilities in order to cover "gaps" or "dead spots," it will take a certain amount of time to plan and install the required facilities, including backhaul facilities connecting new cell sites back to Centennial's network, but Centennial will complete this work in a reasonable time after the effective date of its ETC support. Centennial expects to develop the seven new cell sites within one year of receiving ETC funds for Indiana.

Mr. Shively further provided assurances in his testimony that Centennial provides and will continue to provide quality service to its customers. He explained that Centennial takes great pride in providing high levels of customer service. In light of the tremendous competition in wireless markets, Mr. Shively stated that if wireless customers are dissatisfied with their service, they "vote with their feet." Mr. Shively stated that Centennial was one of the first wireless carriers to sign onto and adopt the CTIA Consumer Code for Wireless Service. While recognizing that a strict application of the Commission's current customer service and service quality standards would not be technologically neutral to wireless ETCs, Mr. Shively committed in his testimony that Centennial would provide quality service to its customers as a condition of its designation as an ETC. Mr. Shively also committed that Centennial would report consumer complaints to the Commission (as described in the Commission's *Nextel Order*.)

According to Mr. Shively, designation of Centennial as an ETC in Indiana will have a small impact on the federal USF fund. Mr. Shively stated that Centennial estimates receiving approximately \$1.2 million annually if granted ETC status in Indiana. Comparing that amount to the total federal USF disbursements for 2003 which were over \$6 billion, the impact of Centennial's anticipated disbursements of USF funds in Indiana is only a tiny, tiny fraction of the total value of the federal USF fund. As Mr. Shively calculated in his testimony, this figure is roughly two-one hundredths of one percent - 0.02%, which means that 99.98% of the fund disbursements would be unrelated to Centennial in Indiana.

G. Jeffrey L. Shively Testimony on Cross-Examination by OUCC.

During cross-examination by the OUCC, Mr. Shively explained how Centennial would respond as providers of last resort to requests for service from consumers located within the areas for which Centennial is seeking ETC designation in this proceeding. Mr. Shively testified that service would be promptly provided to all consumers within Centennial's existing coverage areas. He also testified that Centennial would make every reasonable effort to promptly extend service to consumers located inside Centennial's ETC service areas but outside the boundaries of existing service coverage. Mr. Shively further explained that the system improvements Centennial plans to make after receiving its requested ETC designations should significantly reduce, if not eliminate, the number of service requests Centennial is unable to meet due to current coverage limitations.

Mr. Shively acknowledged that Centennial will track the receipt and use of universal service funds by each of the 6 Centennial entities within their respective ETC service areas. He testified that Centennial would comply with any special accounting requirements imposed by the

Commission. Mr. Shively also confirmed that any universal service funding received by Centennial as an ETC would be used to extend the availability and improve the quality of universal service Centennial provides within its respective ETC service areas, enabling Centennial to provide quality service at affordable rates in all designated ETC service areas.

Mr. Shively acknowledged that Centennial has been given conditional ETC designations in other states. One such condition requires that Centennial affiliates and/or subsidiaries obtain FCC approval of different study areas where their wireless service areas do not perfectly match the underlying rural ILECs' study areas. Mr. Shively testified that such a condition would be acceptable to Centennial for the ETC designations requested in this proceeding.

Mr. Shively also confirmed that all of Centennial's proposed cell towers would be located within the State of Indiana and inside the ETC service areas for which Centennial seeks ETC designation.

H. Jeffrey L. Shively Testimony Responding to Commission Questions.

The Presiding Officers questioned Mr. Shively concerning Centennial's decisions to omit certain portions of its wireless service territory from the areas included in its request for ETC designation. Mr. Shively testified that the Centennial's proposed ETC service areas only included areas where Centennial needed to extend or improve its wireless service coverage. He explained that Centennial wants to use universal service funding to build out coverage to areas it otherwise could not economically serve due to existing coverage limitations.

Mr. Shively also testified that cost differences did not drive Centennial's decision regarding the area for which Centennial would seek ETC designation in Indiana. He explained that Centennial's service costs are pretty similar throughout the state. He also stated that the areas included in Centennial's ETC designation request have yielded the most consumer requests for expanded service availability or coverage.

Mr. Shively also testified that Centennial is committed to providing the broadest possible 911/E-911 coverage throughout their wireless service territories. He explained that Centennial is "Phase 2" E-911 compliant in all areas for which PSAPs have requested E-911 service capabilities. Centennial uses the "angle of arrival" tracking method (instead of using GPS), since that tracking method works with all types of cellular technology. He said that Centennial currently use TCS to route 911 calls to the correct PSAP, but indicated that it was recently approached about the possibility of participating in a state-run call routing program in Indiana.

Mr. Shively was asked to explain the method and arrangements for deploying the additional cell towers for which Centennial plans to use universal service funding if its ETC designation request is granted. Mr. Shively acknowledged that Centennial would attempt to reduce the cost of deploying new cell towers by partnering with other companies or renting collocation space to other companies if possible. He confirmed that Centennial would fully disclose such arrangements to the Commission for any projects involving universal service funding.

As to the continued need for federal USF funding in the proposed service areas, Mr. Shively explained that with increased and improved coverage, Centennial's customer base would grow, requiring the placement of additional expanders. Centennial typically uses a 90-day engineering cycle to plan for and deploy needed expanders. During the first 60 days, Centennial reviews traffic levels and identifies areas where build-up is needed. During the next 30 days, additional expanders are deployed. The 90-day engineering cycle is repeated throughout the year.

Mr. Shively assured the Presiding Officers that Centennial would only use high cost universal service funds for their intended purpose and only in the geographic areas for which the funding was received, noting however, that Centennial operates its network on an integrated basis across its various licensed entities. He also testified that Centennial is committed to meeting all record requirements ordered by the Commission, including but not limited to those related to customer complaints, maintenance, receipt and use of universal service funds, and compliance with capital improvement plans used to demonstrate Centennial's need for high cost universal service funding.

I. Centennial's responses to IURC's Data Requests.

Centennial responded to the data requests issued by the Commission in docket entries dated June 15, 2004 and July 12, 2004.¹¹ Centennial provided the Commission with various maps depicting the county boundaries, city locations, RSA/MSA boundaries, location of active cell/towers operated by Centennial, and multiple signal levels, and distinguishing "roaming" areas from Centennial's "in-network" calling areas. Centennial also identified for the Commission the number of customers for each of the named Petitioners, the other states where Centennial currently receives USF funds, and the amount of funds it currently receives. Centennial also provided the Commission with detailed engineering information concerning each of Centennial's cell sites, including transmitting location, antenna height and type, transmitted power levels and FCC defined service area boundaries. Centennial explained that service quality is continuously monitored, and weekly reports are generated detailing dropped call rates and blocking levels. Centennial also provided the Commission with its current quality of service performance data.

J. Centennial's responses to OUCC's Data Requests.

Centennial also submitted additional information and documents into the record in response to the data requests which the OUCC served upon Centennial.¹² Centennial stated that the responses Centennial provided to the OUCC in discovery performed in Centennial's first ETC proceeding remain the same. Centennial also provided the OUCC with maps depicting Centennial's FCC-licensed service area boundaries and the territories of the RLECs within Centennial's licensed service area. Centennial also provided the OUCC with copies of the

¹¹As discussed *infra*, portions of the information and data Centennial submitted to the Commission was deemed confidential, trade secret information and was submitted into the record of this cause subject to confidential protection and treatment.

¹² A portion of the information and data Centennial submitted initially to the OUCC and then into the record pursuant to the parties' stipulation was deemed confidential, trade secret information and was submitted into the record of this cause subject to confidential protection and treatment.

various orders by other state/territory commissions granting Centennial ETC designation. Centennial also provided detailed customer count information, as well as updated certificates from the Indiana Secretary of State's Office demonstrating that Mega Comm LLC, Elkhart Metronet, Inc., and Centennial Randolph Cellular LLC are validly existing Indiana corporations who are in good standing with the Indiana Secretary of State's Office. Centennial also provided the OUCC with a copy of its most recent Form 10 K filing with the Securities Exchange Commission and a copy of Centennial's proposed capital budget for Fiscal Year 2005.

K. Centennial's Supplemental Testimony Presented by Witness Jeffrey L. Shively.

At the November 3, 2004 evidentiary hearing, Centennial's witness, Jeffrey L. Shively, sponsored his supplemental testimony prefiled with the Commission on October 8, 2004, including Centennial's revised Exhibits E and E-1 incorporating the five exchanges inadvertently omitted from its original proposed Exhibits E and E-1. Pursuant to stipulation by the parties, Mr. Shively was permitted to provide additional testimony addressing several matters not addressed in his prefiled supplemental testimony, including an overview of the FCC's *Advantage Cellular Decision*, which was not released until after his supplemental testimony had been prefiled with the Commission. Mr. Shively was also cross-examined by the OUCC and INECA and answered questions from the Presiding Officers.

Mr. Shively stated that Centennial's proposed ETC service area includes the Burrows, Deer Creek, Yeoman, Roselawn, and Buffalo exchanges, and explained that these exchanges were inadvertently omitted from Centennial's original Exhibits E and E-1 attached to its Renewed Application. Mr. Shively also attached to his supplemental testimony Revised Exhibits E and Revised Exhibit E-1, which he proposed be substituted in lieu of original Exhibits E and E-1 attached to Centennial's Renewed Application. As Mr. Shively explained in his supplemental testimony, Revised Exhibits E and E-1 incorporated the five exchanges inadvertently omitted by Centennial's original exhibits and incorporated several other cleanup changes concerning identification of counties, RLECs, and RLEC exchanges falling within Centennial's proposed ETC service area. Mr. Shively's supplemental testimony further explained the basis for Centennial's initial request that four RLEC exchanges, Mulberry, Colfax, Fairmount, and Markleville, be split in order to be coterminous with Centennial's FCC-licensed area.¹³ Mr. Shively's supplemental testimony also demonstrated that its initially proposed splitting of these four RLEC exchanges did not raise any "creamskimming" issues as the portions to be included within Centennial's ETC service area include a significant amount of the rural, high cost areas for these exchanges.

Mr. Shively testified at the November 3, 2004 evidentiary hearing concerning the FCC's recently released *Advantage Cellular Decision* and how this decision affected Centennial's then pending request that the Commission split the Mulberry, Colfax, Fairmount, and Markleville exchanges. As Mr. Shively explained, the FCC recognized in its *Advantage Cellular Decision* that a wireless ETC applicant whose FCC-license area does not encompass the entirety of an existing RLEC exchange should be permitted to include those limited portions of the RLEC exchange that fall outside of the wireless applicant's FCC-licensed area, provided that such

¹³ As explained below, this request was later withdrawn.

applicant commits to serving customers throughout the entirety of these exchanges through a combination of its own facilities or resale or roaming agreements with other carriers. Mr. Shively further testified that Centennial was committed to serving customers within the entirety of the Mulberry, Colfax, Fairmount, and Markleville exchanges, including those limited portions that fall outside of its FCC-licensed area consistent with the commitments made in the *Advantage Cellular Decision*. Mr. Shively confirmed for the Commission that Centennial had roaming agreements with "just about all" of the small and traditional wireless carriers in Indiana that provides its customers with state-wide coverage. Mr. Shively confirmed for the Commission that in light of the FCC's *Advantage Cellular Decision* Centennial did not seek to "split" the Mulberry, Colfax, Fairmount, and Markleville exchanges, but instead, seeks to include those limited portions of these four exchanges that fall outside of its FCC-licensed area within Centennial's proposed ETC service area.¹⁴

L. OUCC's Prefiled Testimony Presented by Ronald L. Keen.

Pursuant to stipulation by the parties, the OUCC introduced into the record as Public's Exhibit 1 the prefiled *Testimony of Ronald L. Keen*, Director of the Telecommunications Division of the OUCC. Mr. Keen's prefiled testimony explained that the OUCC's initial concern with whether adequate statutory, public notice would be provided to the public and RLECs was resolved by the Commission setting a second evidentiary hearing for the specified purpose of taking additional evidence with respect to Centennial's request to incorporate the five exchanges inadvertently omitted from its original exhibits. Mr. Keen's prefiled testimony also noted several discrepancies with respect to identification of the exchanges to be split as a result of Centennial's proposed ETC service area with the OUCC identifying as many as 11 "split" exchanges compared to Centennial identifying only four "split" exchanges. Pursuant to the parties' stipulation entered on the record at the November 3, 2004 evidentiary hearing, the OUCC acknowledged that Centennial's Exhibit 5 consisting of its October 29, 2004 letter to the OUCC addressed and resolved the discrepancies previously noted in Mr. Keen's prefiled testimony.

6. Discussion and Findings.

As we are reviewing this application for a second time, much of this evidence is, in effect, repetitive. While we ultimately denied Centennial's application in the first Centennial Order, we did not do so for a failing on the nine required elements. Instead, our concerns

¹⁴ Splitting a single RLEC exchange, as Centennial had originally proposed, is a separate and distinct question from dividing or "redefining" an RLEC's "study area." An RLEC's "study area" is normally an RLEC's entire service area within a state, frequently comprised of multiple exchanges/wire centers. The FCC will normally "disaggregate" or "redefine" an RLEC's study area into its constituent exchanges for USF purposes when a wireless ETC serves some, but not all, of those exchanges. This is not permitted, however, when it results in so-called "creamskimming," as discussed in the *Virginia Cellular* and *Highland Cellular* rulings. In contrast, the so called "splitting" of a single RLEC exchange involves a wireless applicant's request to be designated as an ETC "below the wire center level of a RLEC" due to the geographic limitations of the applicant's FCC-license. See, *Virginia Cellular* and *Highland Cellular* rulings. As recently acknowledged by the FCC in the *Advantage Cellular Decision*, the FCC prefers not to "split" existing RLEC exchanges, but instead, prefers to permit wireless ETC applicants to serve those limited portions of the RLEC exchanges falling outside of applicant's FCC-licensed territory; provided that such applicants can serve the entirety of the exchange through their own facilities, roaming, or resale. See, *Advantage Cellular Decision*, Paragraph 21, footnote 65.

focused on whether or not Centennial's designation met the public interest test required under the application process for a CETC. Based on the evidence of record, we find that Centennial meets the eligibility criteria for ETC designation as contained in Section 214(e)(1), as set out more fully below.

A. Petitioner is a Common Carrier.

The first requirement for ETC designation is status as a common carrier under federal law. A "common carrier" is generally defined in 47 U.S.C. §153(10) as a person engaged as a common carrier on a for-hire basis in interstate communications utilizing either wire or radio technology. The FCC's regulations specifically provide that a specialized mobile radio service, such as that provided by Centennial, is a common carrier service. *See* 47 C.F.R. § 20.9(a)(4). Centennial is therefore a "common carrier" for purposes of obtaining ETC designation under 47 U.S.C. § 214(e)(1). (Renewed App., Ex. A.)

B. Petitioner Provides Each of the FCC's Supported Services.

The record evidence confirms that Centennial's network can provide each of the supported services required of an ETC, and Centennial will offer all of those services to its universal service customers once designated an ETC (Renewed App. Ex. A, para. 3; Shively Testimony, pp. 7-12.)

i. Voice-grade access to the public switched telephone network. The FCC defines voice-grade access as "a functionality that enables a user of telecommunications service to transmit voice communications, including signaling the network that the caller wishes to place a call, and to receive voice communications, including receiving a signal indicating there is an incoming call." 47 C.F.R. § 52.101(a)(1). Centennial certified through its Renewed Application that it provides voice grade access to the PSTN. Through its interconnection arrangements with local telephone companies, including SBC Indiana, United Telephone Company of Indiana d/b/a Sprint, and Verizon, North, Inc. and in some limited circumstances its transport services arrangement with its current long distance provider QWEST, all Indiana customers of Centennial are able to make and receive calls on the PSTN. (Renewed App. Ex. A, para. 3; Shively Testimony, p. 7.)

ii. Local usage. Beyond providing voice-grade access to the PSTN, an ETC must include an amount of free local usage determined by the FCC as part of its universal service offering. 47 C.F.R. § 54.101(a)(2). The FCC has not quantified a minimum amount of local usage required to be included in a universal service offering, and has declined to require that ETCs offer unlimited local usage.¹⁵ Centennial certified in its Renewed Application that it provides local usage and attached as Exhibit B to the Direct Testimony of Jeff Shively a copy of its current rate plans for Indiana; all of which include some minimum free local usage. (Renewed App., Ex. A, paragraph 3; Shively Testimony, p.8, Ex. B attached thereto.)

¹⁵ *See In the Matter of Federal-State Joint Board on Universal*, CC Docket No. 96-45, Order and Order on Reconsideration, FCC 03-170, ¶ 14 (rel. July 14, 2003) ("July 2003 Order").

iii. Dual-tone, multi-frequency ("DTMF") signaling, or its functional equivalent. DTMF is a method of signaling that facilitates the transportation of call set-up and call detail information. Consistent with the principles of competitive and technological neutrality, carriers that provide signaling that is functionally equivalent to DTMF meet this service requirement. 47 C.F.R. 54.101(a)(3). Centennial certified through its Renewed Application that it provides dual tone multi-frequency signaling or its equivalent. Centennial uses out-of-band digital signaling and in-band MF signaling that are functionally equivalent to DTMF signaling. (Shively Testimony, p. 8.) Centennial also has the ability to pass DTMF signaling over its TDMA and GSM systems. (Shively Testimony, p. 8.)

iv. Single-party service or its functional equivalent. "Single-party service" means that only one party will be served by a subscriber loop or access line, in contrast to a multi-party line 47-C.F.R. § 54.101(a)(4). Centennial meets this requirement by providing a dedicated message path for the length of all customer calls. (Shively Testimony, p. 9.)

v. Access to emergency services. The ability to reach a public safety answering point ("PSAP") by dialing 911 is required in any universal service offering. Access to emergency services includes access to both 911 and E911 by a telecommunications user. 47 C.F.R. 54.101(a)(5). Both ultimately connect a customer to local government through a PSAP, created by the local government. E911 has the ability to provide automatic numbering information ("ANI"), which allows the PSAP to call back if the call is disconnected, as well as automatic location information ("ALI"), permitting the PSAP to identify the geographic location of the calling party. Centennial certified through its Renewed Application that it is in compliance with 911 protocols. (Renewed App., Exhibit A.) The record further reflects that Centennial currently provides all of its customers with access to emergency services by dialing 911 in satisfaction of this requirement. (Shively Testimony, p. 9; Exhibits C and D attached thereto.) In addition, Centennial has fully implemented Phase I E911 in Indiana and has deployed Phase II E911 service requests where it has received valid requests from PSAPs. (Shively Testimony, p. 9; Exhibits C and D attached thereto.) Mr. Shively confirmed at the evidentiary hearing that Centennial is both E911 Phase I and Phase II compliant. (TR. 48.) Based on the record, we find that Centennial satisfies the access to emergency services requirement.

vi. Access to operator services. Access to operator services is defined as any automatic or live assistance provided to a consumer to arrange for the billing or completion, or both, of a telephone call. 47 C.F.R. § 54.101(a)(6). Centennial certified through its Renewed Application that it provides access to operator services. (Renewed App., Exhibit A.) The record further reflects that Centennial meets this requirement by providing all of its customers with access to operator services provided by either Centennial or an outside contractor which provides automated operator assistance services, such as Verisign, pursuant to which a customer can dial "0" and receive automated assistance to place a call with a credit card, calling card or prepaid card, or make a collect call. (Shively Testimony, p. 10.) Centennial's customers may also dial "611" and be connected to a representative at Centennial's call center, who can place the call for customers. (Shively Testimony, p. 10.)

vii. Access to interexchange service. A universal service provider must offer consumers access to interexchange service to make and receive interexchange calls. 47 C.F.R. § 54.101(a)(7). Centennial presently meets this requirement by providing all of its customers with the ability to make and receive interexchange or toll calls through direct interconnection arrangements Centennial has with one or more interexchange carriers (IXCs). (Shively Testimony, p. 10.) Centennial does not offer equal access to other interexchange carriers, but this is a service that the FCC and this Commission has declined to require of ETCs. See, Nextel Order, p. 20. While not providing equal access, Centennial's customers are able to reach their IXC of choice by dialing an appropriate access number provided by the IXC. (Shively Testimony, p. 10.)

viii. Access to directory assistance. The ability to place a call to directory assistance is a required service offering. 47 C.F.R. § 54.101(a)(8). Centennial meets this requirement by providing all of its customers with access to directory assistance by dialing "411" or "xxx-555-1212," which results in a direct connection to Verisign, which is presently under contract with Centennial to provide this service to Centennial customers. (Shively Testimony, p. 11.)

ix. Toll limitation for qualifying low income customers. An ETC must offer toll limitation services to qualifying Lifeline customers at no charge. 47 C.F.R. § 54.101(a)(9). "Toll limitation" is defined as "toll blocking" or "toll control" if a carrier can provide both. 47 C.F.R. § 54.400(d). Centennial is unable, at this time, to provide "toll control." However, Centennial certified in its Renewed Application and through Jeff Shively's testimony that Centennial can and will offer "toll blocking" to qualifying low income customers, at no charge, as part of its universal service offering upon designation as an ETC by the Commission. (Renewed App., Exhibit A; Shively Testimony, p. 11.) The record further reflects that Centennial will provide toll blocking service by amending a requesting customer's profile in Centennial's switching equipment which will block toll calls attempted from the customer's phone. (Shively Testimony, p. 11.)

C. Petitioner Will Satisfy Advertising Requirements.

The third requirement for ETC designation is that a carrier agrees to advertise the availability of the supported services and charges using media of general distribution. 47 U.S.C. § 214(e)(1). To date neither the FCC nor this Commission has adopted any specific advertising guidelines for any ETC. Centennial certified through its Renewed Application that it would advertise the availability of its supported services and associated charges using media of general distribution as required by law. The record further reflects that Centennial will advertise the availability of Lifeline/Link Up programs through newspaper advertising, explanatory written materials at Centennial's retail stores, and by posting information on the USAC sponsored public access website. (Shively Testimony, p. 14.) No party challenged Centennial's evidence that it can and will advertise through media of general distribution as required by law. We find that Centennial meets the advertising requirement for ETCs. We further find that Centennial is required to comply with all form and content requirements, if any, adopted by the FCC or this Commission in the future and required of all ETCs.

D. Petitioner's Designated ETC Service Areas.

Centennial presented clarifying evidence as to its proposed ETC service areas through Revised Exhibits E and E-1 attached to the Supplemental Testimony of Jeffrey L. Shively, as well as the live testimony Mr. Shively presented at the November 3, 2004 evidentiary hearing. 47 U.S.C. 214(e)(5) defines the term "service area" as a geographic area established by a state commission for the purpose of determining universal service obligations and support mechanisms. For an area served by a rural telephone company, 47 U.S.C. § 214(e)(5) provides that the term "service area" means the rural telephone company's "study area," unless and until the FCC and a state commission establish different service areas under the procedures set forth in 47 C.F.R. § 54.207(c)-(d).

In Centennial's Revised Exhibit E, Centennial identifies the specific exchanges/wire centers located within the study areas of the RLECs for which Centennial seeks designation as an ETC, including five exchanges, Burrows, Deer Creek, Yeoman, Roselawn, and Buffalo, that were inadvertently omitted from its original Exhibits E and E-1 attached to its Renewed Application. In Revised Exhibit E-1, Centennial filed a boundary map showing its complete service area in the State of Indiana. Revised Exhibit E-1 also identifies the specific RLEC exchanges/wire centers included within Centennial's proposed ETC service area as well as those limited portions of the RLEC exchanges/wire centers that fall outside of Centennial's FCC-licensed service area in Indiana.

i. Re-designation of Centennial's ETC service area.

Centennial's Revised Exhibit E and Revised Exhibit E-1 attached to Centennial's Exhibit 5 (Supplemental Testimony of Jeffrey L. Shively) clarify that Centennial's proposed ETC service area includes the exchanges of Burrows, Deer Creek, Yeoman, Roselawn, and Buffalo and we find no reason not to include these areas within Centennial's ETC designated service area. Accordingly, we grant Centennial's request to incorporate the RLEC exchanges of Burrows, Deer Creek, Yeoman, Roselawn, and Buffalo within its designated ETC service area as depicted in Centennial's Revised Exhibits E and E-1. We also find that noticing and holding the second evidentiary hearing on November 3, 2004 to address the addition of these five exchanges into Centennial's proposed ETC service area eliminated the concern raised by the parties with respect to Centennial's request to incorporate these five exchanges. Specifically, the parties raised, and we concur, that the public must have adequate notice as to the relief requested, the areas impacted, and the sufficiency of service, all of which have now been addressed. Further, the complicating factor of potentially "split" wire centers needed to be, and has now been, resolved..

We further find that Centennial's designated ETC service area should include those limited portions of the Mulberry, Colfax, Fairmount, and Markleville exchanges that fall outside of its FCC-licensed area as designated in its Revised Exhibits E and E-1. Consistent with the *Advantage Cellular Decision*, the Commission may incorporate limited portions of RLEC exchanges that fall outside of Centennial's FCC-licensed area, provided that Centennial commits to offer services to customers in the entirety of these exchanges through a combination of its own facilities and resale of other wireless or wireline services. At the November 3, 2004 evidentiary

hearing, Centennial clarified on the record that it did not seek to split these four exchanges, but instead, and in light of the FCC's recently released *Advantage Cellular Decision*, sought to serve the entirety of the Mulberry, Colfax, Fairmount, and Markleville exchanges. Centennial, through Mr. Shively's live testimony at the November 3, 2004 evidentiary hearing, made the same commitments to serve the entirety of these four exchanges as recognized by the FCC in the *Advantage Cellular Decision*. Specifically, Mr. Shively committed Centennial to serve customers in the entirety of these exchanges through a combination of its own facilities and roaming or resale agreements with other carriers.

ii. Redefinition of certain RLEC study areas.

While Centennial no longer seeks to "split" any RLEC exchanges/wire centers as a result of its ETC designated service area, Centennial still seeks to redefine certain RLEC study areas whose exchanges are not located within or contiguous to Centennial's proposed ETC service area. The specific RLEC study areas that need to be redefined based upon Centennial's final statement of its designated ETC service area are: Tri-County Telephone, Frontier Communications, Hancock Telephone, CenturyTel of Central Indiana, Smithville Telephone Company, Inc. and Northwestern Indiana Telephone Company. Centennial seeks redefinition of these study areas because it is not permitted under its current FCC licenses to provide service in the entire study area of each of these companies. Centennial states that as a wireless carrier, it is restricted to providing service only in those areas where it is licensed by the FCC. Centennial's evidence further reflects that it is not "creamskimming" or picking and choosing the "lowest cost exchanges" of the affected rural telephone companies, but instead it bases its requested ETC area on its licensed service area and proposes to serve the entirety of that area. Centennial further contends that its proposed redefinition of the affected rural telephone companies' service areas is consistent with the FCC's January 22, 2004 Memorandum Opinion and Order issued *In the Matter of Federal-State Joint Board on Universal Service, Virginia Cellular, LLC Petition for Designation as an [ETC]*, FCC 03-338 (released January 29, 2004) ("Virginia Cellular Decision") which Centennial submitted into the record as its Late-Filed Exhibit 3.

We find that Centennial's designated ETC service area satisfies applicable federal and state requirements. We conclude that redefining the rural study areas at the exchange/wire center level for Tri County Telephone, Frontier Communications, Hancock Telephone, CenturyTel of Central Indiana, Smithville Telephone Company, Inc., and Northwestern Indiana Telephone Company, as requested by Centennial, is appropriate. Under the FCC's current rules, receipt of high-cost support by Centennial will not affect the total amount of high-cost support that RLECs receive. Moreover, redefining the service areas of the affected rural telephone companies will not change the amount of universal service support that is available to these carriers. This finding is subject only to Centennial securing the FCC's agreement to redefining these RLEC study areas pursuant to 47 C.F.R. 54. 207. We expect Centennial to attach a copy of this order to indicate to the FCC that we approve these study area redefinitions, and to advise us of the FCC's action thereon.

E. Additional Factors to be Considered by the Commission.

Once we have completed the checklist of required items under 47 C.F.R. 54.101, we move on to the equally required item of the public interest. To place that in context, we must examine the tenets of universal service.

i. Universal Service

The promise of universal service is a guarantee to the public that service will be available at just, reasonable, and affordable rates. *In the Matter of Federal-State Joint Board on Universal Service*, 18 FCC Rcd 2943 (2002). To guarantee universal service, TA-96 required that all telecommunications carriers contribute into a Universal Service Fund ("USF") on an equitable and nondiscriminatory basis. 47 U.S.C. 254(f). This fund is used to act as a counterbalance for those carriers entering traditionally high cost areas, such as rural or insular areas. "Universal service contributions . . . support[] the expansion of, and increased access to, the public institutional telecommunications network." *Texas Office of Public Utility Counsel v. FCC*, 183 F.3d 393, 427 (5th Cir. 1999) ("TOPUC"). The designation of an ETC by a state commission is the necessary precursor for eligibility for USF, but merely being an ETC does not guarantee USF funding; a carrier must actually provide the enumerated services. *In re the Application No. C-1889 of GCC License Corp.*, 623 N.W.2d 474, 481 (S.D. 2001). The designation of an ETC provides the public with the certainty that there will be a carrier of last resort that provides services determined to be necessary. 47 U.S.C. 214. ETCs are required, at the risk of sanctions, to provide service to designated customers at affordable prices. 47 U.S.C. 214(d); *see also GCC License Corp.*, 623 N.W.2d at 477. The designation of ETC status, and access to the USF, is not a guarantee of a rate of return to a carrier, nor a guarantee of subsidy. *Alenco Communications, Inc. v. FCC*, 201 F.3d 608, 620-21 (5th Cir. 2000).

ii. Public Interest Analysis

47 U.S.C. 254(b) sets out the standards under which we must examine the issue of whether granting Centennial ETC status is in the public interest. These standards include quality of service and rates, access to advanced services, and access in rural and high cost areas. State commissions are granted the authority to determine whether such certification is in the public interest. *In the Matter of Federal-State Joint Board on Universal Service*, 15 FCC Rcd 15168, 15184 n.6 (2000).

In areas served by rural telephone companies, a competitive ETC can be designated only upon a finding that the designation will serve the public interest. 47 U.S.C. § 214(e)(2). Congress did not define or limit states' public interest tests under Section 214(e)(2), leaving it to the states to set their own reasonable parameters for public interest analyses for rural service areas, consistent with the underlying purposes of the Act, namely:

To promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.

Pub. L. No. 104-104, 110 Stat. 56 (1996).

Section 254(b)(3) of the Act provides that rural consumers should have access to services that are comparable to those available in urban areas:

Consumers in rural, insular, and high cost areas should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas.

Apart from the promotion of competition, we are not aware of any authority showing that there is any specific limitation on the factors that the Commission may take into account when making a public interest determination. *WWC Holding Co., Inc. v. Public Service Commission*, 442 Utah Adv. Rep. 8, 44 P.3d 714, 719 (2002). Under Section 214(e) of TA-96, the Commission is given the discretion of how many carriers to designate within a given area, but is not prohibited from imposing its own reasonable eligibility requirements. *TOPUC*, 183 F. 3d at 418. This is consistent with the historical role states play in guaranteeing service quality standards for local service *Id.*

State commissions are granted the authority to make the designation because of a unique awareness of states' needs and problems. What is examined, however, is dependant upon the duty to the public. "[C]ustomers' interest, not competitors', should control agencies' decisions affecting universal service." *Washington Independent Telephone Assn. v. Washington Utilities and Transportation Comm.*, 110 Wn. 498, 41 P.3d 1212, 1218 (2002). "Public interest is a broad concept encompassing the welfare of present and future consumers, stakeholders, and the general public. The 'public interest' is broader than the goal of competition alone...[and] broader than the goal of advancing universal service." *Washington Independent Telephone Assn. v. Washington Utilities and Transportation Comm.*, 149 Wn.2d 17, 27, 65 P.3d 319, 324 n.3 (2003) (citations omitted.)

In addition, 47 U.S.C. §253(b) allows states to impose requirements on the provision of telecommunications services that are necessary to preserve universal service, protect public safety and welfare, ensure the continued quality of services, and protect the rights of consumers. *In the Matter of Federal-State Joint Board on Universal Service*, 15 FCC Rcd at 15176. This authority, however, is tempered by the requirement that such regulation be competitively neutral. *Id.* While there is the mandate that the state's regulations not be inconsistent with the FCC's rules, the statute contemplates state regulation that adopts "additional specific predictable, and sufficient mechanisms" to preserve and advance universal service. 47 U.S.C. §254(f).

Given these explicit statutory mandates, it is clear that Congress intended that state commissions are to play a critical and necessary role in the determination of competitive ETCs in rural areas. We turn, then, to the particulars supporting a finding that the designation of Centennial as an ETC is in the public interest.

a. **Commission Regulatory Oversight of USF Expenditures**

This Commission has previously recognized certain requirements that all ETC applicants must satisfy in order to secure and maintain their ETC status in Indiana. *See, Nextel Order*, pp. 28-30. These stem from the FCC's mandate that state commissions certify that the federal USF funds are being used "only for the provision, maintenance and upgrading of facilities and services for which the support is intended," consistent with 47 U.S.C. §254(e). "Absent such a certification, carriers will not receive such support." *Id. In the Matter of Federal-State Joint Board on Universal Service*, 16 FCC Rcd 11224, ¶187 (2001); 47 C.F.R. §54.314. In order for this Commission to satisfy its ETC certification obligations to the FCC, this Commission requires ETC applicants to present evidence concerning: (i) their proposed Lifeline/Link Up offering, including filing a Lifeline/Link Up tariff with the Commission; and (ii) how the applicants will account for their USF fund expenditures and the accounting protocols they intend to use to track such expenditures.

The designation of an ETC creates both benefits and burdens on a telecommunications provider. While designation gives the right to apply for USF funds, it also creates the obligation to use those funds "only for the provision, maintenance, and upgrading of facilities and services for which support is intended." 47 U.S.C. 254(e). While the Commission does not regulate Centennial's rates, the Commission does have an affirmative duty to oversee the rates of ETCs, especially regarding Lifeline/Link Up tariffs. Without such oversight, the Commission cannot be assured that a carrier is not using its ETC status to competitive – and public – disadvantage. "An ETC is obliged, at the risk of financial sanctions, to serve designated customers at appropriate prices." 47 U.S.C 214(d). State utility commissions are required to "determine which common carrier or carriers are best able to provide such service to the requesting underserved community or portion thereof . . ." 47 U.S.C. 214(e)(3); *GCC License Corp.*, 623 N.W.2d at 477. Hence, for this Commission to ensure rate comparison, we require ETC applicants to submit Lifeline/Link Up tariffs for Commission review.

We further find that our Lifeline/Link Up tariff filing requirement does not constitute inappropriate regulation of "the entry of or rates charged" by a wireless carrier. 47 U.S.C. §332(c)(3). Numerous courts have noted that even the imposition of a mandatory contribution to a state USF does not amount to rate regulation when applied by a state commission to a wireless carrier. *TOPUC*, 183 F.3d at 431-432, *citing Sprint Spectrum L.P. v. State Corp. Commission*, 149 F.3d 1058, 1061 (10th Cir. 1998). Instead, this falls into the category of "other terms and conditions" that a state commission may regulate regarding wireless carriers. 47 U.S.C. §332(c)(3).

The record reflects that Centennial will satisfy the Commission's Lifeline/Link Up tariff filing requirement. (Renewed App., p. 8; Shively Testimony, p. 14 and Exhibit E attached thereto; Motion to Supplement Shively Testimony, pages 1-2 and Revised Exhibit E attached thereto.) Centennial submitted into the record an illustrative tariff, as amended, describing the Lifeline/Link Up programs Centennial intends to offer once it receives designation as an ETC.¹⁶

¹⁶ *See, Exhibit E attached to Shively Testimony; Revised Exhibit E attached to Motion to Amend Shively Testimony.*

Centennial's illustrative tariff, as amended, conforms to the FCC's recently announced Lifeline/Link Up eligibility requirements by the FCC. *See In the Matter of Lifeline and Link-Up, Report and Order and Further Notice of Proposed Rulemaking*, WC Docket No. 03-109, FCC 04-87 (Released April 29, 2004). We believe that the terms and rates Centennial proposes for its universal service offerings in its illustrative tariff are "just, reasonable, and affordable" and otherwise consistent with universal service goals. Therefore, Centennial should file a Lifeline/Link Up tariff with the Commission's Telecommunications Division consistent with Centennial's illustrative Lifeline/Link Up tariff submitted into the record of this proceeding prior to making its universal service offering to eligible consumers in Indiana.

Consistent with this Commission's ETC oversight responsibilities, we also require ETC applicants to present evidence of what accounting protocols will be used to track and account for USF expenditures. As previously recognized by this Commission, "the subsidy of competitive services by non-competitive services is prohibited in the provision of universal service." *Nextel Order*, p. 29 citing 47 U.S.C. §254(j). This Commission is charged with the obligation of establishing such "necessary costs allocation rules, accounting safeguards, and guidelines" to ensure that USF-funded services bear no more than a reasonable share of the joint and common cost. *Id.* Without such oversight, this Commission cannot assure that Centennial, or any other ETC, is using USF funds in a manner consistent with the statutory mandate.

The record reflects that Centennial will satisfy this requirement. Centennial stated that it has established protocols within its finance department to separately track the receipt and use of USF funds that it currently receives from USAC with respect to other states where Centennial has received ETC designation. (Shively Testimony, p. 24.) Centennial further committed to track its USF expenditures in Indiana separately from its non-USF expenditures to ensure that funds received from USAC for Indiana are only spent on relevant projects in Indiana. (Shively Testimony, p. 24.) Separate and in addition to the Commission's annual high-cost certification filing under Cause Nos. 40785 and 42067, Centennial has committed to submit records and documentation detailing its progress towards meeting its build-out plans and upgrading of service in the service areas it is designated as an ETC. (Shively Testimony, pp. 24-25.)

Consistent with precedent, we find that Centennial shall file reports with the Commission detailing its progress in the expansion and upgrading of service. Specifically, Centennial shall file its first report six (6) months from the date of this order, and annually thereafter, setting out the following:

- Its specific plan using USF funds for the "provision, maintenance and upgrading of facilities and services;"
- Areas where signal strength is to be improved, with corresponding footprint redefinition:
- Timetable for implementation of new switches, towers, and all improvements to service that are set to be started on a date certain;
- Current status of previously reported projects and timelines;

-Number of complaints filed by Indiana customers with the FCC, IURC, or other regulatory entities, tracking customer problems by exchange, indicating the date and the type of resolution achieved; number of requests for service in its designated Indiana service area that were unable to be completed due to lack of facilities or signal.

Centennial shall also report annually the amount of USF funds received, per USF program, per exchange served. This level of detail will address our concerns regarding the overlap of Centennial's footprint over state lines, as we must assure that the allocated funds are used for the benefit of Indiana customers. As a result of Centennial's assurances regarding their now-withdrawn request for the "splitting" of exchanges, Centennial should also file a summary report regarding any partnering, collocating or roaming agreements between Centennial and any other entity within the affected ETC exchanges at issue herein.

To the extent that any such reports contain confidential matter that constitute trade secrets as defined under Indiana law, Centennial may request confidential protections pursuant the Commissions' then-current policies.

In conclusion, we find that these items further the Commission's goal of ensuring that Centennial satisfies its obligations under 47 U.S.C. 214(e) to provide supported services throughout its designated service areas.

b. Network Infirmities and Cost Discrepancies

The premise of universal service contains within it the recognition of network infirmities. But for those infirmities, the concept of universal service would focus exclusively on low-income support. Hence, in an examination of an ETC designation request, an applicant must make specific offerings of proof as to how it will remedy any infirmities it may have identified in its system, or show how it will improve existing service with the USF funds it seeks. The Commission specifically requires that ETC applicants make a thorough review of their service offerings and determine what, if any, parts of the system must be upgraded to be consistent with the then-current FCC guidelines for ETCs.

The record reflects that Centennial has performed a thorough review of its existing network, facilities, and service offerings and has identified specific upgrades and improvements to be made with USF funds, which in all likelihood would not be made without such funds. The record further reflects Centennial's plans to remedy any known infirmities in its network.

As a result of its review of its existing network, Centennial identified seven prospective new cell sites that it proposes to construct¹⁷ using federal USF funds which would improve

¹⁷ At the evidentiary hearing, Mr. Shively explained that only four of the proposed new cell sites would involve actual construction of a new cell tower and that three of Centennial's proposed new cell site locations would involve collocation on another party's existing cell tower. (TR., p. 51.) However, as further explained in Mr. Shively's testimony, there are significant costs associated with the development and construction of a new cell tower, ranging anywhere from \$288,000 to \$305,000, as well as collocating facilities and equipment on another party's cell tower, which costs approximately \$166,000. (TR., pp. 51-52.)

service in those sparsely populated areas where Centennial has requested designation as an ETC in Indiana. (Shively Testimony, pp. 19-20.) Centennial stated that construction of these new cell sites will improve Centennial's service coverage area and remedy most, if not all, of the "gaps" or "dead spots" that Centennial identified in its proposed ETC service area. The seven proposed new cell sites are positioned to cover the largest population centers in these rural underserved areas in Indiana. Centennial submitted into the record, subject to confidential protection, maps (identified as Exhibit F-1 and Exhibit F-2 to Jeff Shively's testimony) which depict Centennial's existing network and the "gaps" or "dead spots" existing therein as well the Centennial's proposed seven new cell site locations which Centennial proposes to develop with USF funds. Centennial confirmed for the Commission that its existing network was consistent with FCC guidelines for ETCs and that most, if not all, of the "gaps" and "dead spots" identified in its proposed ETC service area would be remedied by construction of the seven proposed new cell sites. (Shively Testimony, p. 20.) Centennial also confirmed at the evidentiary hearing that the proposed seven new cell sites are sites that would not be constructed and/or developed but for USF funding. (TR. 39.)

We find that Centennial has adequately described its existing network and the improvements to be made to its network to improve service in the area where it seeks designation as an ETC, which would not otherwise be made without USF funding. Where "gaps" or "dead spots" have been noted in Centennial's network, Centennial has specified where upgrades to service – in the form of construction of new cell towers or collocation of facilities and equipment on existing towers – would be made with USF funds. Furthermore, Centennial has made assurances to the Commission that USF funds received will be used to benefit Indiana by expansion of its existing service coverage.

Related to the Commission's requirement that an ETC applicant show how network infirmities will be addressed and remedied is the Commission's requirement that an ETC provide quality service. *Nextel Order*, p. 26; *Centennial Order*, p. 29. We previously rejected assertions by wireless ETC applicants that the Commission has no jurisdiction over such applicants with respect to service quality standards. From a public policy and public interest standpoint, the certification of an ETC – designed to be, as necessary, the carrier of last resort – presents an assurance to the public that service will be universal, as promised. As a consequence, the designation of an ETC brings with it a corresponding degree of oversight to insure that an ETC provides adequate quality service. In securing this designation, Centennial has voluntarily subjected itself to the jurisdiction of this Commission. While we recognize that a strict application of the Commission's quality standards would not be technologically neutral, we do premise Centennial's ETC designation on the expectation that it will provide quality service.

The record reflects that Centennial has provided the Commission with appropriate assurances that it provides and will continue to provide quality service. In recognition of its' network coverage "gaps" or "dead spots," Centennial has appropriately assured the Commission that such gaps in coverage will be addressed and remedied if granted ETC status. The record further reflects that Centennial was one of the first wireless carriers to sign onto and adopt the CTIA Consumer Code for Wireless Service which is posted on Centennial's website. (Shively Testimony, pp. 26-27.) Centennial also committed to reporting consumer complaints to the Commission (as described in the Commission's *Nextel Order*). (Shively Testimony, p. 2.) Accordingly, we find that Centennial satisfies the Commission's ETC requirement that it provide

quality service and we premise our designation of Centennial as an ETC upon its continued provision of quality service.

c. Competition

In making a determination of whether or not an ETC designation is in the public interest, competition is one element to be considered. As we have previously recognized, "universal service and competition must be balanced; one must not be sacrificed to supplant or benefit the other." *Nextel Order*, p. 30 (citing *Washington Independent Telephone Assn. v. Washington Utilities and Trans. Comm.*, 149 Wn.2d 17, 27, 65 P.3d 319, 324 (2003), citing *Alenco Communications, Inc. v. FCC*, 201 F.3d 608, 615 (5th Cir. 2000); see also *Washington Independent Telephone Assoc. v. Washington Utilities and Transportation Comm.*, 110 Wn. 498, 516, 41 P.3d 1212 (2002), citing *In the Matter of Federal-State Board on Universal Service*, 12 FCC Rcd at 8801-03; *In the Matter of Federal-State Board on Universal Service*, 13 FCC Rcd at 5365.

We have specifically rejected arguments focusing exclusively upon the value of increased competition and touting the general benefits of competition. *Centennial Order*, p. 25. "Competition, in and of itself, is not the reason for ETC designation." *Centennial Order*, p. 25. Instead, we require ETC applicants to present evidence addressing a multitude of factors as enumerated by the FCC in *Virginia Cellular*. The FCC described the relevant factors to be considered as follows:

We conclude that the value of increased competition, by itself, is not sufficient to satisfy the public interest test in rural areas. Instead . . . we weigh the benefits of increased competitive choice, the impact of the designation on the universal service fund, the unique advantages and disadvantages of the competitor's service offering, any commitments made regarding quality of telephone service, and the competitive ETC's ability to satisfy the obligation to serve the designated service areas within a reasonable time frame.

Virginia Cellular, para. 4.

We also have emphasized that any examination of competition must focus on whether the competitive force created by certification of the ETC applicant will benefit consumers. *Nextel Order*, p. 31. An ETC applicant must specify the improvement it will make in the marketplace that will serve the goals of universal service. *Centennial Order*, p. 25.

The record reflects that Centennial has satisfied its burden of proof of establishing that its universal service offering will provide benefits to rural Indiana consumers. If granted ETC status, Centennial has committed to becoming a carrier providing ubiquitous service in its designated ETC areas, to constructing at least four new cell towers and collocating its facilities and equipment on three existing cell towers, thereby improving service and coverage in currently underserved rural areas in Indiana. Further, Centennial currently anticipates that it will receive approximately \$1.2 million annually if granted ETC status (Shively Testimony, p. 22.) Centennial also anticipates that its annual investment in Indiana will substantially exceed the amount of USF funds it anticipates receiving in Indiana as a result of its designation as an ETC.

"For every dollar of USF money to be received by Centennial, Centennial will more than match those dollars with its own financial investment in Indiana's telecommunications infrastructure." (Shively Testimony, p. 23.) Considering the amount of USF funds Centennial anticipates receiving for Indiana along with the amount of Centennial's own funds that it anticipates investing in Indiana, Centennial is committing to make a significant investment in Indiana's telecommunications network, which will benefit currently underserved rural Indiana consumers.

Centennial also presented evidence concerning the benefits and advantages its service offering brings to Indiana rural consumers.¹⁸ (Shively Testimony, pp. 17-18.) Centennial presented evidence that its service provides customers with larger calling areas than those offered by the RLECs, which subject its customers to fewer toll charges. (Shively Testimony, p. 18.) Centennial also noted mobility as a positive aspect of its wireless service, which provides its customers with access to telecommunications services in situations where they would otherwise not be available, especially in situations where access to emergency services is needed. (Shively Testimony, pp. 17-18.) While we recognize the various benefits and advantages that Centennial's wireless service will bring to its proposed ETC area, we must remain competitively neutral and refrain from declaring a particular feature of a technology "better." Accordingly, we consider technology-based issues, such as mobility and a larger local calling scope associated with wireless technology, within the context of how it serves the public interest.

Centennial also presented evidence and made specific commitments concerning how it will address requests for service from customers who are located within Centennial's requested ETC-designated service area, but who are unable to receive service because they are outside Centennial's existing coverage. Acknowledging that construction/collocation of the seven new proposed cell sites should greatly mitigate this issue, Centennial committed to track and annually report to the Commission the number of customers who request service from Centennial within Centennial's ETC-designated area, but who are unable to receive service because they are outside of Centennial's existing network coverage. (Shively Testimony, pp. 21-22.) With respect to such requests, Centennial also committed to evaluate whether: (1) the requesting customer's equipment can be modified or replaced to provide service; (2) adjustments can be made to the nearest cell site to provide service; (3) adjustment can be made to the existing network, including adding additional radios, additional electronics or other equipment; (4) any other adjustments can be made to the network or customer facilities to provide service; and (5) an additional cell site, cell extender or repeater can be deployed or constructed to provide service. (Shively Testimony, p. 22.) As Mr. Shively confirmed at the evidentiary hearing, Centennial would try to figure a way to serve any customer requesting service in its ETC designated area. (TR. 31.)

We find that Centennial's public interest showing here is sufficient based on the specific commitments Centennial has made to expand its network, cure "dead spots," provide quality service and become a reliable carrier of last resort, as well as its promise to provide the Commission with appropriate documentation on the utilization funds. Furthermore, designating

¹⁸ With respect to perceived disadvantages, Centennial acknowledged a single, limited disadvantage associated with its wireless service offering which is that limited portions of its service area are subject to dropped calls or poor coverage. (Shively Testimony, pp. 18-19.) However, Centennial's commitment to use USF funds received for Indiana to remedy "gaps" or "dead spots" within its network mitigates, if not resolves, this issue.

Centennial as an ETC in Indiana will bring approximately \$1.2 million annually to underserved rural areas of Indiana. When this amount is placed in context of Centennial's testimony that every dollar of USF money is more than matched by Centennial's investment in Indiana, this results in a significant investment in Indiana's telecommunications infrastructure, especially in underserved rural areas. Accordingly, we find that Centennial has satisfied the "public interest" factor required of competitive ETC applicants.

IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Centennial's application for designation as an Eligible Telecommunications Carrier ("ETC"), as that term is defined in 47 U.S.C. 214(e) and FCC Order 97-157, is hereby granted and Centennial is designated an ETC for portions of its rural licensed service area in Indiana to the extent described herein..

2. Centennial's request for authority to apply for and receive federal universal service funds pursuant to 47 U.S.C. 254 is hereby granted.

3. Centennial's request to redefine the RLEC study areas for Tri-County Telephone, Frontier Communications, Hancock Telephone, CenturyTel of Central Indiana, Smithville Telephone Company, and Northwestern Indiana Telephone Company, Inc. is hereby granted, subject to securing the FCC's approval with respect to redefining these study areas pursuant to 47 C.F.R. 54.207.

4. Centennial's verified requests seeking confidential protection of documents and information designated by Centennial to be confidential previously filed with the Commission on May 21, 2004 and July 6, 2004 is hereby granted on an on-going basis.

5. This Order shall be effective on and after the date of its approval.

McCARTY, LANDIS, RIPLEY AND ZIEGNER CONCUR; HADLEY ABSENT:
APPROVED *DEC 13 2004*

**I hereby certify that the above is a true
and correct copy of the Order as approved.**

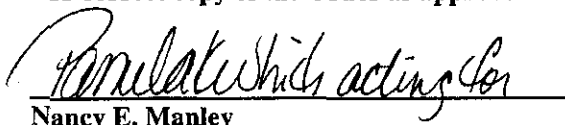

Nancy E. Manley
Secretary to the Commission

EXHIBIT B

ORIGINAL

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

IN THE MATTER OF THE COMMISSION'S)
CERTIFICATION OF RURAL CARRIERS')
ELIGIBILITY TO RECEIVE FEDERAL HIGH-)
COST UNIVERSAL SUPPORT, PURSUANT TO)
THE TELECOMMUNICATIONS ACT OF 1996,)
THE FCC'S MAY 23, 2001 ORDER, AND OTHER)
RELATED FCC ORDERS, AND IN PARTICULAR,)
THE APPLICATION OF CENTENNIAL)
CELLULAR TRI-STATE OPERATING)
PARTNERSHIP; CENTENNIAL RANDOLPH)
CELLULAR LLC; ELKHART METRONET, INC.;)
MEGA COMM LLC; MICHIANA METRONET,)
INC.; AND SOUTH BEND METRONET, INC. SO)
CERTIFIED)

CAUSE NO. 42067-HLS 46

APPROVED: DEC 22 2004

BY THE COMMISSION:

David E. Ziegner, Commissioner

Lorraine Hitz-Bradley, Administrative Law Judge

On May 23, 2001, the Federal Communications Commission issued an Order¹ ("the FCC's RTF Order") assigning to state commissions the responsibility of certifying whether rural carriers are using federal high-cost support in a manner consistent with the requirements of Section 254(e) of the Telecommunications Act of 1996. Pursuant to Section 254(e), carriers must use universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."

In order to carry out the FCC's directive, this Commission issued a consolidated order in this Cause and Cause No. 40785 prescribing forms to be filled out and procedures to be followed by those rural carriers seeking certification. Upon reviewing the applications submitted by rural carriers seeking certification, the Commission issued orders in this Cause on September 26, 2001 and September 11, 2002 certifying the eligibility of Indiana rural carriers to receive federal high-cost support. In a June 18, 2003 docket entry issued in this Cause and Cause No. 40785, the Commission amended the form to be filled out by carriers seeking certification.

On December 15, 2004, the Indiana Utility Regulatory Commission issued an Order in Cause No. 41052-ETC 46 approving the request by Centennial Cellular Tri-State Operating Partnership, Centennial Randolph Cellular LLC, Elkhart Metronet, Inc., Mega Comm, LLC, Michiana Metronet, Inc., and South Bend Metronet, Inc. (collectively, "Centennial") to be designated Eligible Telecommunications Carriers. Centennial, a wireless carrier, was authorized to serve as an ETC in certain selected study areas of Indiana rural telephone companies. In

¹ *In the Matter of Federal-State Board on Universal Service and the MAG Plan, Fourteenth Report and Order*, CC Docket Nos. 96-45 and 00-256.

Cause No. 41052-ETC-46, the Commission took administrative notice of Centennial's high-cost certification filings in Cause No. 42067-HLS-46, that are required by the Commission before the Commission will certify a carrier as being eligible to receive federal high-cost loop support.

Upon reviewing the completed application, the Commission finds that Centennial has demonstrated the requisite compliance with the requirements of Section 254(e) of the Telecommunications Act of 1996, as interpreted by the FCC's RTF Order and this Commission's August 22, 2001 Order. More specifically, based on the completed applications, we find that Centennial will be using federal high-cost support (which include high-cost loop support, local switching support, high-cost support received pursuant to the purchase of exchanges, high-cost model support, and hold-harmless support) only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254(e) of the Telecommunications Act.

In accordance with the FCC's RTF Order, we direct the Commission's Secretary to inform the Universal Services Administrative Company ("USAC") and the FCC that this Commission has certified that Centennial has met the requirements of Section 254(e) and the FCC's RTF Order, and is eligible to begin receiving high-cost support as of December 15, 2004.

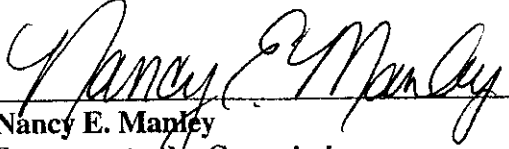
IT IS THEREFORE ORDERED BY THE INDIANA UTILITY REGULATORY COMMISSION that:

1. Centennial shall be, and hereby is, certified by this Commission as having satisfied the requirements of Section 254(e) and the FCC's RTF Order, and is eligible to begin receiving high-cost support as of December 15, 2004.
2. The Commission's Secretary shall inform the FCC and USAC by December 30, 2004 that Centennial has been so certified.
3. This Order shall be effective on and after the date of its approval.

McCARTY, LANDIS, RIPLEY ND ZIEGNER CONCUR; HADLEY ABSENT:
APPROVED:

DEC 22 2004

I hereby certify that the above is a true
and correct copy of the Order as approved.



Nancy E. Manley
Secretary to the Commission

EXHIBIT C

STATE OF INDIANA



INDIANA UTILITY REGULATORY COMMISSION
302 W. WASHINGTON STREET, SUITE E-306
INDIANAPOLIS, INDIANA 46204-2764

<http://www.state.in.us/iurc/>
Office: (317) 232-2701
Facsimile: (317) 232-6758

December 29, 2004

Irene Flannery
Universal Service Administrative Company
2000 L Street, N.W. - Suite # 200
Washington D.C. 20036

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: Certification of Rural Indiana Carriers Pursuant to § 254(e)
and the FCC's Order in CC Docket No. 96-45

Dear Ms. Flannery and Ms. Dortch:

In accordance with the Federal Communications Commission's May 23, 2001 Order¹ (the "RTF Order"), this letter is intended to communicate to you the names of those Indiana carriers that have been certified by the Indiana Utility Regulatory Commission ("IURC") to receive federal support for calendar year 2005.


In an IURC Order issued on August 22, 2001 in Cause Nos. 42067/40785, the IURC prescribed forms to be completed and procedures to be followed by rural carriers seeking IURC certification. Based upon completed applications that have been received this year, the IURC issued an Order on August 24, 2004 in Cause No. 42067 identifying Indiana carriers that have satisfied the certification criteria established by the IURC's August 22, 2001 Order and the June 18, 2003 Docket Entry. On December 22, 2004, the IURC issued an Order in 42067 certifying Centennial Cellular Tri-State Operating Partnership, Centennial Randolph Cellular LLC, Elkhart Metronet, Inc., Mega Comm, LLC, Michiana Metronet, Inc., and South Bend Metronet, Inc. (collectively, "Centennial") as having satisfied the certification criteria established by the IURC's August 22, 2001 Order and the June 18, 2003 Docket Entry.

¹ FCC's Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256, dated May 23, 2001.

Based on the IURC's December 22, 2004 Order, and on behalf of the IURC, I now certify to the FCC and USAC that in addition to the entities previously certified, Centennial will be using federal support (which includes high cost loop support, local switching support, high cost support received pursuant to the purchase of exchanges, high cost model support, and hold harmless support) only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with Section 254 (e) of the Communications Act.

If you require further assistance, please call me at (317) 232-2716.

Sincerely,


Nancy E. Manley
Secretary to the Commission

Encl: IURC Order in Cause No. 42067, dated December 22, 2004.

cc: All certified Indiana carriers
Office of Utility Consumer Counselor